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SUBJECT: Long March: Country Roads Bring Tourists, Trade, and Stability to Longyan

Ref: A) 05 Guangzhou 23050, B) Guangzhou 13562, C) Guangzhou 13384, D) Guangzhou 13385

¶11. (SBU) SUMMARY: Longyan Prefecture in western Fujian Province is literally at a crossroads. Newly constructed highways and some still in the works are central to the area's plans to increase tourism, diversify agriculture, expand exports, and improve rural conditions. Leaders in the Prefecture's center, Longyan, have identified some concrete plans to pay for much needed roads, and attract new industry similar to its economic powerhouse and largest taxpayer, Longyan Tobacco. In the smaller Yongding County, a sub-unit of the Prefecture, rural residents are counting on new roads to bring tourist revenue and the benefits of the city to the region's largely Hakka population. END SUMMARY

Almost Heaven, West Fujian

¶12. (U) As part of Consulate Guangzhou's "long march," following visits to Heyuan and Meizhou in Guangzhou Province (ref A), the Congenoffs drove to Longyan Prefecture in southwest Fujian and met with leaders in both Longyan Prefecture and its subset, Yongding County. Qiu Yuyan Director of Longyan Foreign Affairs Office and prefecture leaders provided an overview of the Prefecture's 11th five-year plan, while Wu Ruiling Director of the Standing Committee of Yongding County People's Congress, met with the Consul General in Yongding County. In both places, leaders focused on increasing tourism, expanding trade, and improving rural conditions.

Life Is Old There, Older Than the Trees

¶13. (U) Located in the mountainous and previously isolated region of western Fujian, Longyan Prefecture governs Longyan and Zhangping cities, Changting, Wuping, Liancheng, Shanghang and Yongding counties. The Prefecture's area of 19,000 square kilometers accounts for 15% of Fujian Province and is home to 2.6 million people, more than 70% of whom reside in rural areas. Longyan City is the political, economical, and cultural center of the Prefecture. The area is known for its large Hakka population, which began settling the area as migrants from northern China over 1,000 years ago. The municipality's RMB 38.5 billion (USD 4.8

billion) GDP comes predominantly minerals - iron, copper, gold, and coal, machinery production, tobacco, and to a lesser extent, tourism.

Country Roads Take Me Home

¶4. (U) Several newly constructed highways serve as the backbone of the Prefecture's plans to increase access to the region, improve tourism, diversify agriculture, increase exports, and improve rural conditions. Signaling their commitment to infrastructure improvement, Longyan's leaders plan to spend RMB 23 billion (approximately USD 2.9 billion) during the 11th five-year plan on freeways, RMB 4 billion (USD 500 million) on state highways, and RMB 300 million (USD 37.4 million) for road maintenance. Longyan transportation officials intend to fully pay for these roads in 15 to 20 years through tolls. Two national highways also run through the Prefecture.

Growing Life a Breeze

¶5. (U) In comparison with previous visits to the region (ref A) done on poorly paved, bumpy roads, traveling within the prefecture is faster and more comfortable with the majority completion of highways connecting other cities within Fujian (the highways to Guangdong and Jiangxi Provinces have yet to be completed). In addition, two railways connect the area to neighboring Guangdong and Jiangxi as well as other parts of China. During a briefing in Longyan, Prefecture leaders were quick to admit that there are still problems with the roads, in particular,

GUANGZHOU 00014707 002 OF 003

unevenness where roads connect, a fact noted in detail by those driving to the area. Area leaders remain optimistic that these new corridors will bring an increase in tourists and revenue to the region.

¶6. (U) A new network of highways and rural roads winds past Longyan's numerous villages symbolizing the high percentage of rural residents in the area. Longyan and Yongding officials emphasized their goals to improve the conditions of the area's rural residents, who represent 79% of the Prefecture's population). Officials hope to raise the present average per capita rural income from RMB 4,430 (USD 553) to RMB 5800 (USD 724) within five years. In an effort to bring the benefits of the city to the rural areas, the "Building the New Socialist Countryside" part of the 11th five-year plan to improve rural society, officials will focus on developing rural roads, clean water supplies, better sanitation and waste management, improve access to education and health, and development ways to increase rural incomes.

¶7. (U) Agricultural development initiatives in the Prefecture are focused on raising the average income by developing value added agricultural industries. In Yongding, for example, officials are working to develop the dried mustard leaf industry. Since the vegetables grow during winter months when grain will not grow in the area the vegetable can provide additional revenue to rural farmers. The Yongding leaders are further focused on developing value added industries for their persimmon crop with a goal of processing 40% of the annual crop into vinegar, cakes, and wine during the next five years.

I Should Have Been Home Yesterday

¶8. (U) A slow and bumpy ride down a narrow mountain road leads visitors to the well-preserved Hakka Village of Chuxi in Yongding County. Here, 11 kilometers from the town center, visitors find a symbol of tourism efforts in the prefecture and county: historic round and square rammed-

earth houses known as "tulou." Tourism remains one of the fastest growing industries in the prefecture, and is a source of optimism for government officials. Prefecture leaders boasted that between 2000 and 2005 tourist revenue in the prefecture grew from 1.29 Billion RMB (USD 160 million) to 3.89 Billion RMB (USD 485 million), a trend they expect to continue. The county currently receives 3.89 million tourists per year, most of them coming from other parts of China. Efforts are focused on three areas: green tourism, red tourism, and cultural tourism. Green tourism refers to the natural beauty of the area, cultural tourism relates to traditional Hakka food, architecture, and culture, while red tourism focuses on historic sites related to the communist revolution. Red tourism is primarily aimed at patriotic Chinese citizens rather than overseas visitors. Qiu Yuyan of the Longyan FAO indicated that the impetus for opening the Chuxi tulou area to tourists came not from the government, but from villagers themselves. In fact, the government official admitted some concern for the maintenance of the village and the poor condition of the narrow dirt road leading to the village, and said that the government was not encouraging excessive traffic to the village. Villager residents receive the bulk of the site's tourist revenue.

All My Memories Gathered Round Her

¶9. (U) Visitors to Longyan come predominantly from other areas in China. But better highways could bring more Chinese visitors by road as well as international visitors on short package tours via larger cities such as Xiamen and Guangzhou. Of the Prefecture's overseas visitors, most are currently ethnic Hakka from South-east Asia returning to visit relatives, see cultural sites, or pay respect to ancestors. Of non-Hakka foreign tourists, Japan is the largest market due to high exposure of the Prefecture's rammed-earth houses in Japanese media. The Prefecture receives approximately 1,000 visitors from the United States

GUANGZHOU 00014707 003 OF 003

per year.

Miners Lady, Stranger to Blue Water

¶10. (U) The prefecture's roads wind through beautiful mountains, along winding streams and past countless mines producing such resources as iron, gold, copper, and coal, many of the latter mines small, dangerous, and illegal. The scene reminds travelers of both the rich natural resources in the area and the potential effect of increasing industrial output on the environment. Longyan officials express desire to reduce the rate of pollution (per portion of GDP) while increasing industrial output. How such a goal would be achieved was not as clearly articulated.

¶11. (U) Just outside Longyan's city center, and right off of a main Highway is the Longyan Tobacco Company. A tour of the facility by Chen Wannian, Deputy Director of the Factory, showed how far the factory has come since its humble beginnings in 1958. The once small tobacco company is now the largest taxpayer in Fujian Province. Congenoffs were wowed by the state-of-the-art facility located in the heart of the otherwise sleepy Longyan. This world-class manufacturing facility completed in 2004 at a cost of RMB 8.5 million (slightly more than USD one million) serves as a showplace of modern industry from the musical fountains at the entrance to the robotic forklifts inside. Opting for efficiency over cheap labor, the company utilizes state-of-the-art machinery capable of rolling 7000 cigarettes and packing 400 boxes per minute. The company is one of two companies in China just being licensed to make Marlboro cigarettes.

Comment: Country Roads Indeed

¶12. (U) Longyan, once isolated, is now connected to larger cities in Fujian, Guangdong, and Jiangxi through an expanding network of highways and railways. These corridors have brought an increase in tourism, industry, and GDP growth. By contrast, the smaller Yongding County remains far from the developed coastal cities of Fujian and Guangdong Provinces. With heavy reliance on mining and subsistence agriculture, Yongding Officials hope to balance the area's economy with an increase of tourists as local roads are upgraded during the next several years. Prefecture planners have a clear vision of the challenges and opportunities that await them; converting country roads to highways is one of the issues that delay them from moving forward faster. End Comment.

¶13. (U) Persons met in Yongding/Longyan:

Wu Ruilin Chair, Yongding Congress

Lai Xiu Jin Vice County Mayor of Yongding

Jiang Dizhang Executive Vice Mayor, Longyan Government

Tang Zhongling Deputy Secretary General, Longyan Government

Zhong Meiyi Deputy Secretary General, Longyan Government

Liu Guangxiang Deputy Director, Agricultural Bureau, Longyan Government

Chen Qingru Deputy Director, Communication Bureau, Longyan Government

Lu Yanming Assistant Research Fellow, Development and Reform Commission, Longyan Government

Qiu Yuyan Director, Longyan Government, Foreign Affairs

Office (FAO)

Lu Dian Deputy Director, Longyan FAO

Li Dongting, Section Chief, Longyan FAO

Chen Wannian Deputy Director, Longyan Cigarette Factory.

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